

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Annual Financial Report

December 31, 2013

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22ND JUDICIAL DISTRICT



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Management's Discussion and Analysis December 31, 2013

The Management's Discussion and Analysis of the District Attorney's financial performance presents a narrative overview and analysis of the District Attorney's financial activities for the year ended December 31, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements, which begin on page 10 and the accompanying notes to the financial statements, which begin on page 19.

FINANCIAL HIGHLIGHTS

1. The District Attorney had cash and investments of \$854,830 at December 31, 2013, which represents a decrease of \$116,292 from the prior year. The District Attorney also had receivables of \$144,456 at December 31, 2013, which represents a decrease of \$66,752 from the prior year.
2. The District Attorney had accounts payable and accruals of \$376,105 at December 31, 2013, which represents an increase of \$254,934 from the prior year.
3. The District Attorney had charges for services of \$1,200,439 for the year ended December 31, 2013, which represents a decrease of \$200,882 from the prior year.
4. The District Attorney had operating grants and contributions of \$2,376,246 for the year ended December 31, 2013, which represents a decrease of \$238,137 from the prior year.
5. The District Attorney had total cost of programs and services of \$4,084,967 for the year ended December 31, 2013, which represents a decrease of \$14,918 from the prior year.
6. The District Attorney had capital asset purchases of \$-0- for the year ended December 31, 2013 which represents a decrease of \$96,884 from the prior year.

Overview of the Financial Statements

The following graphic illustrates the minimum requirements for the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information (other than
MD&A)

These financial statements consist of three sections – Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as a whole and present a longer-term view of the District Attorney’s finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

The Statement of Net Position and the Statement of Activities report the District Attorney’s net assets and changes in them. You can think of the District Attorney’s net position, the difference between assets and liabilities, as one way to measure the District Attorney’s financial health, or financial position. Over time, increases or decreases in net assets may serve an indicator whether the financial position of the District Attorney of the Twenty-Second Judicial District is improving or deteriorating.

Fund financial statements start on page 12. All of the District Attorney’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District Attorney’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney’s activities as well as what remains for future spending.

FINANCIAL ANALYSIS OF THE ENTITY

The Net Position of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as of December 31, 2013 decreased by \$505,233 (41.50%) from the previous year. The decrease was primarily the result of a legal settlement and the associated legal costs.

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana’s total revenue for the year ended 31, 2013 was \$3,579,734. This was a decrease of \$442,526 (11.1%) from the previous year. The total expenditures for the year ended December 31, 2013 were \$4,017,712. This was a decreased of \$98,461 (2.4%) from the previous year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2013, the District Attorney of the Twenty-Second Judicial District had \$89,570, net of depreciation, invested in furniture, equipment, and vehicles. This amount represents a net decrease (including additions and decreases) of \$67,255 from the previous year.

Debt

The District Attorney of the Twenty-Second Judicial District had no outstanding debt at December 31, 2013.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

General Fund Revenues were revised downward because of less than expected income from charges to various entities. Special Revenue Funds Revenue was revised downward because of the continuing decline in IV-D program reimbursements. Salaries and related benefits were revised downward accordingly.

EXPECTED FACTORS AND NEXT YEAR'S BUDGET

The District Attorney of the Twenty-Second Judicial District considered the following factors and indicators when setting next year's budget. These factors and indicators include:

1. Fees, fines, and charges for services
2. Intergovernmental revenues (federal and state grants)
3. Personal services expenses
4. Operating services expenses

The District Attorney of the Twenty-Second Judicial District does not expect any significant changes in next year's results as compared to the current year other than the legal issue settled this year.

CONTACTING THE DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT OF THE STATE OF LOUISIANA'S MANAGEMENT

This financial report is designed to provide a general overview of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's finances for all those with an interest in the government's finances and to show the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Attorney of the Twenty-Second Judicial District, Justice Center, 701 North Columbia Street, Covington, LA 70433.

Justin J. Scanlan, C.P.A., F.T.C.

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INDEPENDENT AUDITOR'S REPORT

The Honorable Walter P. Reed
District Attorney of the Twenty-Second Judicial District
State of Louisiana
Parishes of St. Tammany and Washington

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-6 and 34-36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The budgetary comparison information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013, on our consideration of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over financial reporting and compliance.

Justin J. Scanlon, CPA, LLC

New Orleans, Louisiana
June 26, 2014

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Statement A

STATEMENT OF NET POSITION

December 31, 2013

ASSETS

Cash and Cash Equivalents	\$	854,830
Receivables		144,456
Capital Assets, net of Accumulated Depreciation		<u>89,570</u>
 TOTAL ASSETS	 \$	 <u><u>1,088,856</u></u>

LIABILITIES

Accounts Payable and Accrued Liabilities	\$	376,105
Seized Assets Held		<u>-</u>
 TOTAL LIABILITIES	 \$	 <u><u>376,105</u></u>

NET POSITION

Net investment in capital assets	\$	89,570
Unrestricted		<u>623,181</u>
 TOTAL NET POSITION	 \$	 <u><u>712,751</u></u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

Statement B

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Unit
FUNCTIONS/PROGRAMS				
Governmental activities:				
Judicial	\$ 4,084,967	\$ 1,200,439	\$ 2,376,246	\$ (508,282)
Total governmental activities	<u>4,084,967</u>	<u>1,200,439</u>	<u>2,376,246</u>	<u>(508,282)</u>
General Revenues:				
Interest and investment earnings				3,049
Gains on disposition of asset				<u>-</u>
Total general revenues and special items				<u>3,049</u>
Change in net position				(505,233)
Net Position - January 1, 2013				<u>1,217,984</u>
Net Position - December 31, 2013				<u>\$ 712,751</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2013

Statement C

	General Fund	Special Revenue Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 688,154	\$ 166,676	\$ 854,830
Receivables	<u>32,814</u>	<u>111,642</u>	<u>144,456</u>
TOTAL ASSETS	<u><u>\$ 720,968</u></u>	<u><u>\$ 278,318</u></u>	<u><u>\$ 999,286</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 284,071	\$ 92,034	\$ 376,105
Seized Assets Held	<u>-</u>	<u>-</u>	<u>\$ -</u>
TOTAL LIABILITIES	284,071	92,034	376,105
FUND BALANCES			
Non-spendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	186,284	186,284
Unassigned	<u>436,897</u>	<u>-</u>	<u>436,897</u>
TOTAL FUND BALANCES	<u><u>436,897</u></u>	<u><u>186,284</u></u>	<u><u>623,181</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 720,968</u></u>	<u><u>\$ 278,318</u></u>	<u><u>\$ 999,286</u></u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2013

Total Fund Balances - Governmental Funds	\$ 623,181
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The net cost of the assets is \$1,417,860 and the accumulated depreciation is \$1,328,290	<u>89,570</u>
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Total Net Position at December 31, 2013 - Governmental Activities	<u>\$ 712,751</u>
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The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Year Ended December 31, 2013

Statement D

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTALS
REVENUE			
Commissions on fines and forfeitures	\$ 856,363	\$ -	\$ 856,363
Use of money and property-interest earnings	2,868	181	3,049
Grant from Louisiana Department of Social Services:			
Reimbursement of administrative costs	-	1,163,343	1,163,343
Grant - Law Enforcement	-	18,975	18,975
Grant - Victim Assistance Program	-	161,214	161,214
Grant - Pre Trial Intervention	-	6,730	6,730
Grant - Equipment	-	4,035	4,035
Grant - Elder Abuse	-	50,575	50,575
Grant - Career Criminal	-	34,200	34,200
Fees - Fees account	-	106,496	106,496
Diversionsary program	67,763	824,423	892,186
Other revenue	15,900	6,255	22,155
Asset forfeiture revenue	68,435	-	68,435
Bond forfeiture	191,978	-	191,978
 TOTAL REVENUE	 <u>\$ 1,203,307</u>	 <u>\$ 2,376,427</u>	 <u>\$ 3,579,734</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Year Ended December 31, 2013

Statement D
continued

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTALS</u>
EXPENDITURES			
General Government - Judicial:			
Salaries and Related Benefits	\$ -	\$ 2,631,712	\$ 2,631,712
Travel	765	28,877	29,642
Materials and Supplies:			
Office	156,045	64,492	220,537
Automobile	233,120	(2,297)	230,823
Capital Expenditures	-	-	-
Other Expenditures	685,586	219,412	904,998
TOTAL EXPENDITURES	<u>1,075,516</u>	<u>2,942,196</u>	<u>4,017,712</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 127,791	\$ (565,769)	\$ (437,978)
OTHER FINANCING SOURCES (USES)			
Operating Transfer In	-	533,060	533,060
Operating Transfer Out	(533,060)	-	(533,060)
Total Other Financing Sources (Uses)	<u>(533,060)</u>	<u>533,060</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(405,269)	(32,709)	(437,978)
FUND BALANCES AT BEGINNING OF YEAR	<u>842,166</u>	<u>218,993</u>	<u>1,061,159</u>
FUND BALANCES AT END OF YEAR	<u>\$ 436,897</u>	<u>\$ 186,284</u>	<u>\$ 623,181</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2013

Net Change in fund balances - governmental fund (fund financial statements)	\$ (437,978)
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Amounts reported for governmental activities in the statement of activities (governmental wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund. Governmental activities report depreciation expense to allocate the cost of these capital assets over the estimated useful lives of the assets

Capital Outlay Capitalized	\$ -	
Depreciation Expense	<u>(67,255)</u>	<u>(67,255)</u>
Change in Net Position - Government Activities		<u>\$ (505,233)</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 875,003
	<hr/>
TOTAL ASSETS	<u>\$ 875,003</u>
LIABILITIES	
Due To Other Governmental Units	\$ 875,003
	<hr/>
TOTAL LIABILITIES	<u>\$ 875,003</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

FIDUCIARY FUND TRUST

Schedule of Changes in the Balance of Restitution to Victims
For the Year Ended December 31, 2013

<u>BALANCE AT BEGINNING OF YEAR</u>	\$ 81,972
<u>ADDITIONS</u>	
Collections:	
Restitution payments & fees	95,652
Restitution collected - Juvenile	-
Diversiónary payments & fees	52,890
Interest income	<u>114</u>
Total additions	148,656
<u>REDUCTIONS</u>	
Settlements:	
Restitution - victims	72,463
Restitution - unclaimed	-
Restitution paid - Juvenile	-
Fees Special Revenue Fund	12,624
Diversiónary payments & fees	24,426
Bank charges	<u>-</u>
Total reductions	<u>109,513</u>
<u>BALANCE AT END OF YEAR</u>	<u>\$ 121,115</u>

The accompanying notes are an integral part of these financial statements

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Twenty-Second Judicial District of Louisiana encompasses the parishes of St. Tammany and Washington.

A. Reporting Entity

As the governing authority for reporting purposes, the District Attorney of the Twenty-Second Judicial District of the State of Louisiana (The District Attorney) is the financial reporting entity, the primary government. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Organizations for which the District Attorney does not appoint a voting majority, but are fiscally dependent on The District Attorney.
 - a. the ability of The District Attorney to impose its will on that organization.
 - b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on The District Attorney.
2. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The District Attorney includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the District Attorney as an independently elected official. As an independently elected official, the District Attorney is solely responsible for the operations of his office, including fiscal and management responsibilities. Other than certain operating expenditures of the District Attorney's office that are paid or provided by the Police Jury of

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

A. Reporting Entity - Continued

Washington Parish, and by the Parish Council of St. Tammany, as required by Louisiana law, The District Attorney is financially independent. The accompanying financial statements present financial information only on the funds maintained by the District Attorney of the Twenty-Second Judicial District.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) and the fund financial statements comprise the basic financial statements. Both government-wide and fund financial statements categorize the primary activities. All of the activities of The District Attorney are classified as governmental.

The Statement of Net Position and the Statement of Activities provide information about the reporting government as a whole. These statements include all of the financial activities of The District Attorney.

In the Statement of Net Position, governmental activities are presented on a full accrual, economic resource basis. Net position is reported in three parts; invested in capital assets, net of any related debt, if any; restricted net assets; and unrestricted net assets. The District Attorney has no restricted net assets.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of The District Attorney are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions of activities.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

C. Basic Financial Statements – Fund Financial Statements - Continued

Fund Accounting

The District Attorney uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District Attorney only uses governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

Reporting Requirements

The District Attorney adopted the provision of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements, and Management's Discussion and Analysis (MD & A) for State and Local Governments for the first time this year. The District Attorney will be treated as a governmental-type activity for financial reporting purposes. The requirements for The District Attorney established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (other than MD & A).

General Fund

The General Fund is the primary operating fund of the District Attorney and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District Attorney policy.

Special Revenue Fund

Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, are designated by the District Attorney to be accounted for separately. The special revenue funds of the District Attorney of the Twenty-Second Judicial District consist of the following:

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

C. Basic Financial Statements – Fund Financial Statements - Continued

- Title IV-D Fund – consists of reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.
- Worthless Checks Collection Fee Fund – consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receives from the principal to the offense, a prescribed amount upon collection of a worthless check. The funds may be used only to defray the salaries and expenses of the office of the District Attorney, and may not be used to supplement the salary of the District Attorney.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the District Attorney are the agency funds. The agency funds account for assets held by the District Attorney as an agent for other government entities. These funds are custodial in nature and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but do use the modified accrual basis of accounting. The agency funds of the District Attorney of the Twenty-Second Judicial District consist of the following:

- Asset Forfeiture Fund – is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.
- Restitution Fund – is used to refund to those harmed from worthless checks.
- Bond Forfeiture Fund – is used as a depository for bonds forfeited to the District Attorney's office. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
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Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

D. Budget and Budgetary Accounting

The District Attorney prepares and adopts a budget each year for its general and all special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District Attorney amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budget amounts by five percent or more. All budget appropriations lapse at year-end.

E. Cash and Cash Equivalents

Cash – includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents – includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rate. Generally, only investments that, at the day of purchase, have maturity date no longer than three months qualify under this definition.

F. Investments

Investments are limited by R.S. 33:2955 and the District Attorney's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

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Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Bad Debts

Uncollectable accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectibility of the particular receivable. At December 31, 2013, none of the receivables were considered to be uncollectible.

I. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. If applicable, donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Depreciation of all exhaustible capital assets used by the District Attorney are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 5 to 10 years for movable property such as furniture and fixtures, equipment, and vehicles. The accompanying financial statements do not include property and equipment purchased by the Police Jury of Washington Parish nor by the Parish Council of St. Tammany for the District Attorney. This property and equipment is included in the financial records of those respective entities. It is the policy of the District Attorney to capitalize all capital assets with an acquisition cost exceeding \$5,000.

J. Compensated Absences

Annual and sick leave for professional staff members is granted at the discretion of the District Attorney. Clerical employees are paid principally by the parish governing authorities of St. Tammany and Washington Parishes. Annual and sick leave for clerical employees is in accordance with leave policies of the respective parishes. At December 31, 2013, the District Attorney had no accumulated and vested employee leave required to be reported in accordance with Governmental Accounting Standards Board Statement benefits No. 16 (GASB 16).

K. Post Employment Insurance

The District Attorney's does not provide health insurance for its employees. Health insurance benefits are paid by the governing authorities of St Tammany and Washington Parishes. Any other insurance benefits paid by the District Attorney's office are at the sole discretion of the District Attorney. Therefore, there is no post employment liability required to be reported in accordance with Governmental Accounting Standards Board Statement No. 45 (GASB 45).

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Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

M. Subsequent Events

The subsequent events of the District Attorney of the 22nd Judicial District were evaluated through the date the financial statements were available to be issued which is June 26, 2014

N. Fund Equity

In 2011, The District Attorney implemented the requirements of Governmental Accounting Standards Board (GASB) Statement No. 54 – Fund Balance Reporting and Governmental Fund – Type Definitions. In accordance with this statement, in the fund financial statements, fund balances of the governmental fund types are now categorized into one of five categories – Non-spendable, Restricted, Committed, Assigned or Unassigned.

While the District Attorney has not established a policy for its use of unassigned fund balance, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unassigned fund balance classifications could be used.

NOTE 2 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the District Attorney may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District Attorney may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associates and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
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Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

A. Deposits with Financial Institutions - Continued

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping mutually acceptable to both parties. The deposits at December 31, 2013 with the financial institutions were properly collateralized and are secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet:	\$1,338,594	\$ 510,354	\$1,848,948

The following is a breakdown of deposits at December 31, 2013 by banking institution:

Category 1:

<u>Banking Institution</u>	
Resource Bank	\$1,473,346
Capital One Bank	28,740
Iberia Bank	50,577
Frist NBC	106,968
American Bank & Trust	111,514
Investar Bank	<u>77,803</u>
Total	<u>\$1,848,948</u>

B. Investments

At December 31, 2013, the District Attorney had no investments.

C. Seized Assets Held

There were no seized assets held in the General or Special Revenue Funds in 2013.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 3 – ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2013:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Fees, Fines and Charges for Services	\$ -	\$ -	\$ -
Intergovernmental Revenues	32,814	111,641	144,455
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 32,814</u>	<u>\$ 111,641</u>	<u>\$144,455</u>

NOTE 4 – CAPITAL ASSETS

A summary of District Attorney of the Twenty-Second Judicial District of the State of Louisiana's capital assets at December 31, 2013 follows:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Capital Assets				
Automobile	\$ 448,263	\$ -	\$ -	\$ 448,263
Leasehold Improvements	122,355	-	-	122,355
Equipment, Furniture & Fixtures	760,615	-	-	760,615
Software	<u>86,628</u>	<u>-</u>	<u>-</u>	<u>86,628</u>
Total Capital Assets	1,417,861	-	-	1,417,861
Less accumulated depreciation	<u>(1,261,036)</u>	<u>(67,255)</u>	<u>-</u>	<u>(1,328,291)</u>
Total Capital Assets, net	<u>\$ 156,825</u>	<u>(\$ 67,255)</u>	<u>(\$ -)</u>	<u>\$ 89,570</u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND
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Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 5 – PENSION PLANS

The District Attorney participates in two cost-sharing, multiple employer, public employees retirement systems (PERS). The district attorney and assistant district attorneys are members of the District Attorney's Retirement System. Other personnel of the district attorney's office are members of the Parochial Employees Retirement System of Louisiana, Plan A. These retirement systems are cost-sharing, multiple employer, statewide retirement systems which are administered by separate boards of trustees. The contributions of participating agencies are pooled within each system to pay the accrued benefits of their respective participants. The contribution rates are approved by the Louisiana Legislature.

A. District Attorneys' Retirement System

Following is a summary of the District Attorney's Retirement System for the most recent valuation date, which was June 30, 2013:

Actuarial Value of Plan Assets	\$290,413,251
Funded Ratio	85.93%
Unfunded Actuarial Accrued Liability	None

1) Amount of the District Attorney Current Year Covered Payroll	\$ 838,173
---	------------

Amount of the District Attorney Current Year Total Payroll	\$ 838,173
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- 2) The District Attorney and Assistant District Attorneys are members of the Retirement System.

Retirement benefits are equal to 3% of the members average fund compensation multiplied by the number of years of their membership service, not to exceed 100% of their average final compensation.

A participant may retire after ten (10) years of creditable service and 60 years of age or older, at age 55 with 18 years creditable service, or at age 50 with 23 years of creditable service.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
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Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 5 – PENSION PLAN – CONTINUED

A. District Attorneys' Retirement System - Continued

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 50 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 percent of the member's final average compensation multiplied by years of membership service. A member is eligible for early retirement if they are age 55 and have 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced by 3 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute.

- 3) The District Attorney Retirement System was created by provision of Act 91 of the 1950 Legislature, as amended, up to and including Act 256 of 1986 and required the following provisions:

The District Attorney's contribution of the covered Payroll varies for year to year. It was 9.75% for 2013. Contributions made on behalf of covered employees in 2013 were \$92,442.

The employee portion is 8% for full-time employees.

- 4) Retirement plan contributions by employees for the year to the District Attorney Retirement System was \$67,586.
- 5) The assumptions used for valuation were the same as those utilized for the prior year.
- 6) The District Attorney System, a cost-sharing multiple-employer plan, does not conduct separate measurements of assets and pension benefit obligations for individual employers. Also, membership data is not available by individual employer. The amount shown below as the "pension benefit obligation" is the

DISTRICT ATTORNEY OF THE TWENTY-SECOND
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Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 5 – PENSION PLAN – CONTINUED

A. District Attorneys' Retirement Systems - Continued

standardized disclosure measure of the present value of pension benefits for the state-wide plan.

Active Members	756
Retirees, beneficiaries and terminated employees	508

Total net assets available for benefits	\$303,073,552
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7) The historical trend information shall be included in the separately issued District Attorney's Retirement System annual report.

8) The District Attorney's contributions for the previous years were:

<u>Year</u>	<u>Source</u>	<u>Amount Contributed</u>	<u>Covered Payroll</u>	<u>Percent of Covered Payroll</u>
2012	Employer/Employee	\$169,767	\$1,062,305	15.98%
2011	Employer/Employee	\$153,258	\$ 798,597	19.19%

B. Parochial Employees' Retirement System

Substantially all other employees of the Twenty-Second Judicial District are members of the Parochial Employees Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit obligations. All employees of the District Attorney are members of Plan A.

Following is a summary of the Parochial Employees' Retirement System:

1) Amount of The District Attorney, Current Year Total Payroll	\$1,116,394
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Amount of The District Attorney, Current Year Covered Payroll	\$ 827,888
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2) All permanent employees of The District Attorney are members of the Retirement System.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
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Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 5 – PENSION PLAN – CONTINUED

B. Parochial Employees' Retirement System – Continued

Retirement benefits are computed based on the highest thirty-six (36) consecutive or joined months of salary.

A participant may retire after twelve (12) years of creditable Service and 55 years of age or older, or at age 50 with 30 years of creditable services.

3) The District Attorney Parochial Employees Retirement System provision of Act 91 of the 1950 Legislature, as amended, up to and including Act 256 of 1986 and required the following provisions:

The District Attorney contributed 16.75% of the covered Payroll for 2013, which amounted to \$138,671.

The employees' portion is 9.5% for full-time employees.

4) Retirement plan contributions for the year amounted to \$56,574. These funds are remitted to the District Attorney Parochial Employees Retirement System.

5) The assumptions used for valuation were the same as those utilized for the prior year.

6) The District Attorney System, a cost-sharing multiple-employer plan, does not conduct separate measurements of assets and pension benefit obligations for individual employers. Also, membership data is not available by individual employer. The amount shown below as the "pension benefit obligation" is the standardized disclosure measure of the present value of pension benefits for the state-wide plan as of December 31, 2012 (most recent data available).

Active Members	14,370
Retirees, beneficiaries and terminated employees	13,347
Actuarial value of plan assets	\$2,448,529,177
Total net assets available for benefits	\$2,583,983,506

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Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 5 – PENSION PLAN – CONTINUED

B. Parochial Employees' Retirement System - Continued

7) The historical trend information shall be included in the separately issued District Attorney's Parochial Employees' Retirement System annual report.

8) The District Attorney's contributions for the previous years were:

<u>Year</u>	<u>Source</u>	<u>Amount Contributed</u>	<u>Covered Payroll</u>	<u>Percent of Covered Payroll</u>
2012	Employer/Employee	\$192,243	\$881,507	21.81%
2011	Employer/Employee	\$192,324	\$832,870	23.09%

NOTE 6 -INTERFUND TRANSFERS

Operating transfers for the year ended December 31, 2013, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 533,060
Special Revenue Fund	533,060	-
Total	<u>\$ 533,060</u>	<u>\$ 533,060</u>

NOTE 7 - LEASES

The District Attorney's office has operating leases as of December 31, 2013. The lease expenditures are as follows:

Vehicles	\$111,107
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Future minimum rental commitments under operating leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2014	\$ 84,330
2015	<u>11,419</u>
	<u>\$ 95,749</u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND
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Notes to Financial Statements - Continued
For the Year Ended December 31, 2013

NOTE 8 - LITIGATION

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana was not involved in any litigation, nor is he aware of any unasserted claims at December 31, 2013.

NOTE 9 - CLAIMS AND JUDGEMENTS

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District Attorney may be required to reimburse the grantor government. The District Attorney believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District Attorney.

NOTE 10 - RISK MANAGEMENT

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District Attorney maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to provide any significant uninsured losses to the District Attorney.

SUPPLEMENTAL INFORMATION

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

Combined Statement of Revenue, Expenditures, and Changes in
Fund Balances - Budget (GAAP Basis) and Actual
General and Special Revenue Funds
For the Year Ended December 31, 2013

	General Fund				Special Revenue Funds			
	Original Budget	Amended Budget	Actual	Variance	Original Budget	Amended Budget	Actual	Variance
REVENUE								
Commissions on fines and forfeitures	\$ 825,500	\$ 825,500	\$ 856,363	\$ 30,863	\$ -	\$ -	\$ -	\$ -
Use of money and property-interest	8,600	8,600	2,868	(5,732)	500	500	181	(319)
Grant from Louisiana Department of Social Services:				-				
Reimbursement of administrative costs	-	-	-	-	1,425,000	1,250,000	1,163,343	(86,657)
Grant - Law Enforcement	-	-	-	-	27,900	27,900	18,975	(8,925)
Grant - Victim Assistance Program	-	-	-	-	161,300	161,300	161,214	(86)
Grant - Pre Trial Intervention	-	-	-	-	3,800	3,800	6,730	2,930
Grant - Fatherhood	-	-	-	-	17,800	17,800	-	(17,800)
Grant - Elder Abuse	-	-	-	-	59,500	59,500	50,575	(8,925)
Grant - Equipment	-	-	-	-	-	-	4,035	4,035
Grant - Career Criminal	-	-	-	-	119,000	60,000	34,200	(25,800)
Fees - Fees account	-	-	-	-	178,800	150,000	106,496	(43,504)
Fees from various entities	131,400	-	-	-	-	-	-	-
Diversionary program	81,600	81,600	67,763	(13,837)	905,000	850,000	824,423	(25,577)
Other revenue	22,500	22,500	15,900	(6,600)	200	200	6,255	6,055
Asset forfeiture revenue	84,300	84,300	68,435	(15,865)	-	-	-	-
Bond forfeiture	193,200	193,200	191,978	(1,222)	-	-	-	-
Gain on disposition of assets	-	-	-	-	-	-	-	-
Total Revenue	\$ 1,347,100	\$ 1,215,700	\$ 1,203,307	\$ (12,393)	\$ 2,898,800	\$ 2,581,000	\$ 2,376,427	\$ (204,573)

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Combined Statement of Revenue, Expenditures, and Changes in
Fund Balances - Budget (GAAP Basis) and Actual
General and Special Revenue Funds
For the Year Ended December 31, 2013

	General Fund				Special Revenue Funds			
	Original Budget	Amended Budget	Actual	Variance	Original Budget	Amended Budget	Actual	Variance
EXPENDITURES								
General Government - Judicial:								
Salaries and related benefits	\$ 114,200	\$ -	\$ -	\$ -	\$ 3,144,700	\$ 2,693,900	\$ 2,631,712	\$ (62,188)
Travel	1,500	1,500	765	(735)	32,000	32,200	28,877	(3,323)
Materials and supplies:								
Office	127,800	127,800	156,045	28,245	60,800	60,800	64,492	3,692
Automobile	240,100	240,100	233,120	(6,980)	(2,800)	(2,800)	(2,297)	503
Capital expenditures	92,500	30,000	-	(30,000)	32,700	10,000	-	(10,000)
Other expenditures	191,200	309,700	685,586	375,886	231,500	231,500	219,412	(12,088)
Total Expenditures	767,300	709,100	1,075,516	366,416	3,498,900	3,025,600	2,942,196	(83,404)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 579,800	\$ 506,600	\$ 127,791	\$ (378,809)	\$ (600,100)	\$ (444,600)	\$ (565,769)	\$ (121,169)

DISTRICT ATTORNEY OF THE TWENTY-SECOND
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Combined Statement of Revenue, Expenditures, and Changes in
Fund Balances - Budget (GAAP Basis) and Actual
General and Special Revenue Funds - Continued
For the Year Ended December 31, 2013

	General Fund			Special Revenue Funds		
	Original Budget	Amended Budget	Actual	Original Budget	Amended Budget	Actual
OTHER FINANCING SOURCES (USES)						
Operating Transfer In	\$ -	\$ -	\$ -	\$ 580,900	\$ 580,900	\$ 533,060
Operating Transfer Out	(580,900)	(580,900)	(533,060)	-	-	-
Total Other Financing Sources (Uses)	(580,900)	(580,900)	(533,060)	580,900	580,900	533,060
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ (1,100)	\$ (74,300)	\$ (405,269)	\$ (19,200)	\$ 136,300	\$ (32,709)
FUND BALANCES AT BEGINNING OF YEAR			842,166			218,993
FUND BALANCES AT END OF YEAR			\$ 436,897			\$ 186,284

DISTRICT ATTORNEY OF THE TWENTY-SECOND
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

<u>Federal/Grantor Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:			
Pass-Through State Department of Social Services; Child Enforcement Services:	93.563	CFMS 694265 CFMS 722298	\$ 580,429 <u>584,990</u>
Total U.S. Dept. of Health and Human Services			<u>\$ 1,165,419</u>
U.S. Department of Justice:			
Pass-Through Louisiana Commission on Law Enforcement;			
Pre Trial Intervention	16.738	B12-5-004	\$ 5,400
Career Criminal Prosecution	16.738	B12-5-003	34,200
Victim Assistance Program	16.575	C12-7-002	24,000
Victim Assistance Program	16.575	C11-7-002	17,214
Victim Assistance Program	16.575	C11-8-002	25,000
Victim Assistance Program	16.575	1390	5,000
Elderly Victims of Crime	16.575	C11-5-005	43,910
Domestic Violence Program	16.588	M12-7-002	18,975
Criminal Records Improvement	16.738	B10-5-044	4,035
Total U.S. Dept. of Justice			<u>\$ 177,734</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 1,343,153</u></u>

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - Basis of Presentation

1. The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. Federal pass through funds are presented by the entity through which the organization received the federal financial assistance.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
For the Year Ended December 31, 2013

NOTE A- Basis of Presentation - Continued

2. The matching contributions for the Child Enforcement Services Program for the year ended December 31, 2013 totaled \$160,525
3. The matching contribution for he programs passed through the Louisiana Commission on Law Enforcement for the year ended December 31, 2013 totaled \$29,350.

Justin J. Scanlan, C.F.A., F.F.C.

A LIMITED LIABILITY COMPANY

4769 ST. ROCH AVE.

NEW ORLEANS, LOUISIANA 70122

TELEPHONE: (504) 288-0050

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Walter P. Reed
District Attorney of the Twenty-Second Judicial District
State of Louisiana
Parishes of St. Tammany and Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of The United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's basic financial statements, and have issued our report thereon dated June 26, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the Twenty-Second Judicial District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District Attorney of the Twenty-Second Judicial District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other matters

As part of obtaining reasonable assurance about whether the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Justin F. Scanlon, CPA, LLC". The signature is written in a cursive, flowing style.

New Orleans, Louisiana
June 26, 2014

Justin J. Scanlan, C.P.A., T.T.U.

A LIMITED LIABILITY COMPANY

4769 ST. ROCH AVE.

NEW ORLEANS, LOUISIANA 70122

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Honorable Walter P. Reed
District Attorney of the Twenty-Second Judicial District
State of Louisiana
Parishes of St. Tammany and Washington

Report on Compliance for Each Major Federal Program

We have audited the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's major federal programs for the year ended December 31, 2013. The District Attorney of the Twenty-Second Judicial District of the State of Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. .

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance.

Opinion on Each Major Federal Program

In our opinion, the District Attorney of the Twenty-Second Judicial District of the State of Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over compliance with the types of requirements that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scanken, CPA, LLC

New Orleans, Louisiana
June 26, 2014

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2013

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: *Unmodified*

Internal control over financial reporting:

- | | | |
|--|---------|--------------------|
| 1) Material weakness(es) identified? | ____yes | __X__no |
| 2) Significant deficiency(ies) identified: | ____yes | __X__none reported |

Noncompliance material to financial Statements noted?	____yes	__X__no
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Federal Awards

Internal control over major programs:

- | | | |
|--|---------|--------------------|
| 1) Material weakness(es) identified? | ____yes | __X__no |
| 2) Significant deficiency(ies) identified? | ____yes | __X__none reported |

Type of auditor’s report issued on compliance For major programs	<i>Unmodified</i>
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Any audit findings disclosed that are required To be reported in accordance with Section 510(a) of OMB Circular A-133?	____yes	__X__no
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DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
For the year ended December 31, 2013

Section I – Summary of Auditor's Results (continued)

Identification of major programs:

Reporting Requirements and Communication Considerations

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
#93.563	U.S. Department of Health & Human Services Child Enforcement Services

Dollar threshold used to distinguish between
Type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____yes _____X_____no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Status of Prior Year Audit Findings

There were no prior year audit findings